



**Health Services**  
LOS ANGELES COUNTY

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December 19, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**GROUND LEASE NO. 4 WITH LOS ANGELES BIOMEDICAL RESEARCH  
INSTITUTE AT HARBOR-UCLA MEDICAL CENTER FOR  
CONSTRUCTION OF A MEDICAL RESEARCH BUILDING  
(2nd District) (3 Votes)**

**JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE OFFICER  
THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign the attached Ground Lease No. 4 with the Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center (LA BioMed) for the sum of \$1.00 as consideration for the lease.
2. Authorize construction of a 14,372 square foot medical research building on the Harbor-UCLA Medical Center grounds pursuant to the ground lease.
3. Consider the attached Negative Declaration, together with the fact that no comments were received during the review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County, approve the Negative Declaration and find that the project will have no adverse effect on wildlife resources and authorize the Chief Administrative Office to complete and file a Certificate of Fee Exemption for the project.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:**

Approval of the ground lease authorizes LA BioMed to construct a 14,372 square foot medical research building on the grounds of Harbor-UCLA Medical Center (Harbor-UCLA). The initial lease term is 20 years, commencing upon completion and occupancy of the building, and the lease can be extended for an additional 10-year term upon mutual agreement of LA BioMed and the County.

On August 26, 1986, the Board approved a development master plan and disposition strategy for Harbor-UCLA, which calls for construction of up to nine new buildings in an area designated as a research park. The area for the proposed lease is within the designated area.

The building will support and facilitate research activities in the area of molecular research by 10 investigators in five different medical departments and four new investigators.

In the event that Medical Research Agreement No. H-201979 between LA BioMed and the County is not renewed for any reason upon termination on June 30, 2010, LA BioMed shall have the option of remaining in the facility for the remainder of the ground lease term, provided that LA BioMed pays a monthly rent at fair market value. Upon termination of the ground lease, ownership of the building will vest in the County.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that the County increase public/private partnerships (Goal 4). The leasing of County property to a non-profit organization which provides services for the benefit of the public is consistent with that Goal.

Consistency with DHS System Redesign

These actions meet DHS' strategic goals by supporting education and research to improve the health of the residents of Los Angeles County.

FISCAL IMPACT/FINANCING:

In consideration of the ground lease, LA BioMed will pay \$1.00 to the County. The total construction costs for the building and related site improvements are estimated at \$5.158 million, which will be funded entirely by LA BioMed.

LA BioMed will be solely responsible for all maintenance and operating costs associated with the building and leased area throughout the term of the agreement. LA BioMed will reimburse the County for the cost of any space support services, such as utilities supplied by Harbor-UCLA. Utilities are defined as gas, water, telephone, data and electrical service. Payment for the cost of utilities may be made by cash or in-kind contributions as allowed under the Medical Research and Education Agreement No. H-201979.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

LA BioMed is a California non-profit 501(c)(3) corporation which administers more than 1,100 research projects with a yearly budget of \$75 million. Since February 18, 1969, the Board has contracted with LA BioMed (formerly known as Harbor-UCLA Research and Education Institute [REI]) for the administration of research and education projects at Harbor-UCLA. The contracts authorize LA BioMed to use Harbor-UCLA space and under three other existing ground leases, to construct medical research facilities on the hospital grounds. Harbor-UCLA's relationship with LA BioMed has allowed the County to recruit and retain highly qualified physicians and has enhanced the level of medical care to County patients at Harbor-UCLA.

The proposed Ground Lease No. 4 was reviewed by the Board appointed Real Estate Management Commission on November 15, 2006, and it was the Commission's recommendation to approve the lease. The proposed Ground Lease No. 4 was developed by the Chief Administrative Office, Real Estate Division and approved as to form by County Counsel.

Attachment A (Summary of Agreement) provides additional information.

ENVIRONMENTAL DOCUMENTATION:

The Department of Health Services has made an initial study of environmental factors and has concluded this project will have no significant impact on the environment and no adverse effect on wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the CEQA Guidelines Section 15072. Copies of the completed Initial Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration, as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

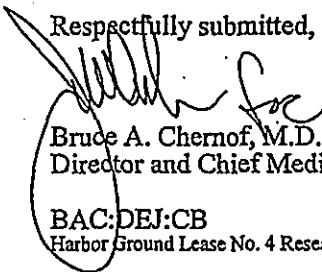
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IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Board's approval of Ground Lease No. 4 will authorize LA BioMed to construct a new medical research/research support facility at Harbor-UCLA. Upon expiration of Ground Lease No. 4, the County will acquire ownership of the building.

It is requested that the Executive Officer, Board of Supervisors, return one conformed copy of the Board's action to the Department of Health Services, and two originals of the executed lease agreement and the adopted, stamped Board letter and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, 4<sup>th</sup> Floor, Los Angeles, CA 90012 for further processing

Respectfully submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC:DEJ:CB  
Harbor Ground Lease No. 4 Research Bldg.rf.wpd



David E. Janssen  
Chief Administrative Officer

Attachments (2)

c: County Counsel  
Chief Administrative Officer  
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

A ground lease with Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center (LA BioMed).

2. CONTRACTOR ADDRESS AND CONTACT PERSON:

Kenneth Trevett, President and Chief Executive Officer  
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center (LA BioMed)  
1124 W. Carson St., Building N-24, Room 21  
Torrance, CA 90502  
Telephone: (310) 222-3601  
Facsimile: (310) 222-3603  
E-Mail: ktrevett@labiomed.org

3. TERM OF AGREEMENT:

The initial term is 20 years, commencing upon completion and occupancy of the building and can be extended for an additional 10 year term upon mutual agreement of the parties.

4. FINANCIAL INFORMATION:

In consideration of the ground lease, LA BioMed will pay \$1.00 to the County. The total building construction cost and site improvements are estimated at \$5.158 million and will be entirely funded by LA BioMed.

5. GEOGRAPHIC AREAS TO BE SERVED:

Second District.

6. ACCOUNTABILITY OF MONITORING:

Mary Werk, Director  
Hospital Planning and Architecture  
Harbor-UCLA Medical Center

7. APPROVALS:

Harbor-UCLA Medical Center:	Tecla A. Mickoseff, Chief Executive Officer
Chief Deputy Director:	John R. Cochran III
Contract and Grants Division:	Cara O'Neill, Chief
County Counsel (as to form):	Amy M. Caves